UNITED
NATIONS

A

General Assembly

Distr.
GENERAL

A/52/732
16 December 1997
ENGLISH
ORIGINAL: ARABIC

Fifty-second session
Agenda item 113

FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS

Report of the Fifth Committee

Rapporteur: Mr. Djamel MOKTEFI (Algeria)

1. At its 4th plenary meeting, on 19 September 1997, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-second session the item entitled "Financial reports and audited financial statements, and reports of the Board of Auditors" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 27th, 29th, 30th and 41st meetings, on 11, 14 and 17 November and 15 December 1997. Statements and observations made in the course of the Committee's consideration of the item and the replies to queries raised are reflected in the relevant summary records (A/C.5/52/SR.27, 29, 30 and 41).

3. For its consideration of the item, the Committee had before it the following documents:

(a) United Nations Institute for Training and Research. Financial report and audited financial statements for the year ended 31 December 1996 and report of the Board of Auditors (A/52/5/Add.4);

(b) Voluntary funds administered by the United Nations High Commissioner for Refugees. Audited financial statements for the year ended 31 December 1996 and report of the Board of Auditors (A/52/5/Add.5);

(c) Report of the Secretary-General on the implementation of the recommendations of the Board of Auditors (A/52/381);

(d) Note by the Secretary-General transmitting the concise summary of principal findings, conclusions and recommendations contained in the reports of the Board of Auditors (A/52/261);

(e) Report of the Advisory Committee on Administrative and Budgetary Questions (A/52/518).

4. At the 41st meeting, on 15 December, the representative of Latvia introduced a draft resolution entitled "Financial reports and audited financial statements, and reports of the Board of Auditors" (A/C.5/52/L.12), submitted by the Chairman on the basis of informal consultations.

5. At the same meeting, the Committee adopted draft resolution A/C.5/52/L.12 without a vote (see para. 6).

RECOMMENDATION OF THE FIFTH COMMITTEE

6. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financial reports and audited financial statements, and reports of the Board of Auditors

The General Assembly,

Having considered, for the year ended 31 December 1996, the financial report and audited financial statements and the report of the Board of Auditors on the United Nations Institute for Training and Research,[1] the audited financial statements and the report of the Board of Auditors on the voluntary funds administered by the United Nations High Commissioner for Refugees,[2] the report on measures taken or to be taken by the United Nations Institute for Training and Research and the Office of the United Nations High Commissioner for Refugees in response to the recommendations of the Board of Auditors,[3] the concise summary of principal findings, conclusions and recommendations contained in the reports of the Board[4] and the report of the Advisory Committee on Administrative and Budgetary Questions,[5]

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[1] Official Records of the General Assembly, Fifty-second Session, Supplement No. 5D (A/52/5/Add.4).

[2] Ibid., Supplement No. 5E (A/52/5/Add.5).

[3] A/52/381.

[4] A/52/261, annex.

[5] A/52/518.

Taking into account the views expressed by delegations and the Board of Auditors during the debate in the Fifth Committee on the financial reports and audited financial statements and the reports of the Board of Auditors on the aforementioned organizations,[6]

Taking note of the measures taken by the Executive Director of the United Nations Institute for Training and Research and the United Nations High Commissioner for Refugees to implement the current recommendations of the Board of Auditors,

Commending the Board of Auditors for carrying out its reviews in a comprehensive and efficient manner,

Recognizing the difficult conditions under which the Office of the United Nations High Commissioner for Refugees does its work,

Noting the observation of the Board of Auditors, in paragraphs 25 to 30 of its report,[1] that the administrative expenditures of the United Nations Institute for Training and Research from the General Fund have been increasing even as its total income has been decreasing over the last several years,

Expressing concern that the headquarters of the United Nations High Commissioner for Refugees selected for submission of quotations vendors from a very narrow geographical base,

1. Accepts the financial reports and audited financial statements and the audit opinions and reports of the Board of Auditors on the United Nations Institute for Training and Research and the voluntary funds administered by the United Nations High Commissioner for Refugees;

2. Also accepts the concise summary of principal findings, conclusions and recommendations of the Board of Auditors[4] and the comments thereon contained in the report of the Advisory Committee on Administrative and Budgetary Questions,[5] except for the request in paragraph 17 of the report;

3. Requests the Board of Auditors to further improve its reports by including short executive summaries, highlighted text boxes and a more concise narrative;

4. Also requests the Board of Auditors to monitor compliance with the relevant provisions on consultants of General Assembly resolution 51/226 of 3 April 1997;

5. Welcomes the introduction of a new section, pursuant to section A, paragraph 7, of General Assembly resolution 51/225 of 3 April 1997, in the reports of the Board of Auditors highlighting the previous recommendations which had not been fully implemented;

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[6] See summary records of the Fifth Committee (A/C.5/52/SR.27, 29 and 30).

6. Requests the Executive Director of the United Nations Institute for Training and Research and the United Nations High Commissioner for Refugees to complete the implementation of the recommendations of the Board of Auditors;

7. Endorses the request of the Advisory Committee on Administrative and Budgetary Questions[7] to the Executive Director of the United Nations Institute for Training and Research and the United Nations High Commissioner for Refugees to consult with the Board of Auditors on the implication of submitting biennial reports instead of annual reports, and to report thereon to the General Assembly at its fifty-third session;

8. Reiterates its request that the Office of the United Nations High Commissioner for Refugees comply fully with the United Nations System Accounting Standards;

9. Expresses concern at the observations made by the Board of Auditors, in paragraphs 79 to 98 of its report, regarding the use of consultants, and endorses its recommendations thereon;[8]

10. Recommends, in accordance with the relevant recommendations in the report of the Advisory Committee on Administrative and Budgetary Questions, that the Office of the United Nations High Commissioner for Refugees should take immediate steps to improve its contracting policy, to prepare more precise terms of reference and to establish and maintain an updated central roster;[9]

11. Requests the Office of the United Nations High Commissioner for Refugees to fully observe and implement the established procedure for procurement, including procurement of goods and services from as wide a geographical basis as possible, and the provisions of General Assembly resolution 51/231 of 13 June 1997.

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[7] A/52/518, para. 3.

[8] Official Records of the General Assembly, Fifty-second Session, Supplement No. 5E (A/52/5/Add.5), sect. I.

[9] A/52/518, para. 12.